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EXAMINER

YEN, JASON TAHAI

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte TAKAYUKI SANO

Appeal 2017-002144
Application 14/228,162¹
Technology Center 3700

Before WILLIAM V. SAINDON, LYNNE H. BROWNE, and
ERIC C. JESCHKE, *Administrative Patent Judges*.

JESCHKE, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant seeks review under 35 U.S.C. § 134(a) of the Examiner's decision, as set forth in the Final Office Action dated October 8, 2015 ("Final Act."), rejecting claims 1–17 under 35 U.S.C. § 101 as directed to patent-ineligible subject matter. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ Appellant is the Applicant, Gree, Inc., which, according to the Appeal Brief, is the real party in interest. Appeal Br. 2.

BACKGROUND

The disclosed subject matter relates to “a server device, a control method performed by the server device, a program, and a terminal device.” Spec. ¶ 2. Claims 1, 6–11, and 13 are independent. Claim 1 is reproduced below²:

1. A control method performed by a server device the method comprising:

storing, in a storage unit, a plurality of lottery modes, wherein each of the plurality of lottery modes associates respective items, which are providable to a user, with item odds;

receiving a start request for a game from the terminal device;

transmitting an image indicating the plurality of lottery modes to the terminal device;

selecting a lottery mode from among the plurality of lottery modes;

transmitting an image indicating the selected lottery mode;

holding a drawing from among a plurality of types of the items on the basis of the selected lottery mode;

transmitting an image indicating a won item in the drawing to the terminal device,

wherein the won item is usable in the game for which the start request was received.

² The version of claim 1 shown here is from the Claims Appendix filed July 11, 2016.

DISCUSSION

The Supreme Court has established “a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs, Inc.*, 132 S. Ct. 1289, 1294 (2012)). Under the *Alice* framework, we first “determine whether the claims at issue are directed to one of those patent-ineligible concepts”—i.e., a law of nature, a natural phenomenon, or an abstract idea. *Id.* If so, we secondly “consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 132 S. Ct. at 1298, 1297). The Supreme Court described the second step as “a search for an ‘inventive concept’—i.e., an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* (alteration in original) (quoting *Mayo*, 132 S. Ct. at 1294).

Appellant presents certain arguments regarding all claims as a group, with some arguments based on certain language common to all eight independent claims—claims 1, 6–11, and 13. *See, e.g.*, Appeal Br. 15. Appellant also presents arguments based on certain language specific to each of the eight independent claims. *See, e.g.*, Reply Br. 3–5. Appellant does not separately argue any dependent claims.

A. Step One

Regarding Step One of the *Alice* framework, the Examiner states that “[t]he claims is/are directed to the abstract idea of managing a lottery game,

which is similar to concepts of an idea of itself, certain methods of organizing human activity and mathematical relationships.” Ans. 4; *see also* Final Act. 4 (“Claim(s) 1, 6–11 is/are directed to manag[ing] a game. The idea of managing a game is a type of organizing human activity similar to those found by the courts to be abstract.”).³

First, Appellant addresses the Examiner’s statement that “[r]ules of playing a game are abstract ideas based on *Alice* and other relevant recent court decisions.” Appeal Br. 15 (quoting Final Act. 6). Appellant argues all pending claims as a group, asserting that the Examiner “provides no specific citation to *Alice* or to any other court decision in support of this assertion” and argues that “*Alice* does not discuss the patentability of game rules at all.” *Id.* Appellant states that the “reliance on unnamed ‘other relevant recent court decisions’ appears to be based on the *Planet Bingo* Federal Circuit decision,” “[h]owever, *Planet Bingo* is nonprecedential (and therefore limited to its facts) and does not support such a broad rule.” *Id.*; *see Planet Bingo, LLC v. VKGS LLC*, 576 Fed. App’x 1005 (Fed. Cir. 2014).

The Examiner responds that the “claimed invention was, and is, evaluated based on the current law at the time of examination, which in this case, relates to 35 U.S.C. [§] 101 based on one or more recent Supreme Court decisions, including *Alice*.” Ans. 8.

³ Although the Examiner discusses “[c]laim(s) 1, 6–11,” we understand this statement regarding Step One to address all pending claims, including independent claim 13. *See* Final Act. 7 (“Dependent [c]laim(s) 2–5, 12–17 further describe the abstract idea, but do not make it less abstract . . .”).

Under Step One, we “look at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Texas, LLC v. DirectTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016) (quoting *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016)). Here, Appellant does not assert error in the Examiner’s identification of what the pending claims are “directed to”; rather, Appellant argues that “rules of a game” has not been identified by courts as an abstract idea. Appeal Br. 15.

As an initial matter, although the Examiner did—in a discussion of method claim 1—state that “[t]he described process amounts to no more than a set of rules for playing a game” and that “[r]ules of playing a game are abstract ideas based on *Alice* and other relevant recent court decisions” (Final Act. 6), we understand the Examiner’s position regarding Step One as that set forth in the initial paragraph of this section. Thus, Appellant’s argument that “rules of a game” has not been identified as an abstract idea by courts does not apprise us of error in the Examiner’s determination that the claims here are directed to managing a lottery game, and that such subject matter is similar to certain methods of organizing human activity that have been found to be abstract ideas. *See* Ans. 4; Final Act. 4.

Further, although the *Planet Bingo* decision is non-precedential (as noted by Appellant), we consider the Federal Circuit’s discussion there instructive as to the analysis of Step One here. *See* Fed. Cir. R. 32.1(d) (rev. Oct. 2017) (“The court may refer to a nonprecedential disposition in an opinion or order and may look to a nonprecedential disposition for guidance or persuasive reasoning”). In *Planet Bingo*, the Federal Circuit characterized the patents at issue as “recit[ing] methods and systems for

‘managing a game of Bingo’” and stated that “[t]his is similar to the kind of ‘organizing human activity’ at issue in *Alice*, 134 S.Ct. at 2356.” *Planet Bingo*, 576 Fed. App’x at 1008. The Federal Circuit concluded that “the subject matter claimed . . . is directed to an abstract idea.” *Id.*

Appellant is correct that, in *Planet Bingo*, the Federal Circuit also stated that the claims are “directed to the abstract idea of ‘solv[ing a] tampering problem and also minimiz[ing] other security risks’ during bingo ticket purchases” (*Planet Bingo*, 576 Fed. App’x at 1008 (discussed at Appeal Br. 15)), however, we view the panel in *Planet Bingo* as identifying the abstract idea at issue as managing a game of bingo. Federal Circuit panels have viewed the discussion in *Planet Bingo* in a similar manner. *See, e.g., In re Smith*, 815 F.3d 816, 819 (Fed. Cir. 2016) (characterizing the *Planet Bingo* panel as “determining that methods of managing a game of bingo were abstract ideas”); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1368 n.2 (Fed. Cir. 2015) (characterizing the *Planet Bingo* panel as “determining that claims to a computer-aided management system for bingo games was directed to an abstract idea”).

Further, we view the Federal Circuit’s decision in *In re Smith* as instructive as to the analysis of Step One here. *See also* Ans. 9–10 (discussing *In re Smith*). There, the Federal Circuit addressed a rejection, under 35 U.S.C. § 101, of claims reciting a “method of conducting a wagering game.” *In re Smith*, 815 F.3d at 817. Addressing Step One of the *Alice* framework, the court stated that the “claimed ‘method of conducting a wagering game’ is drawn to an abstract idea much like *Alice*’s method of exchanging financial obligations and *Bilski*’s method of hedging risk” and concluded that “the rejected claims, describing a set of rules for a game, are

drawn to an abstract idea.” *Id.* at 819. Based on these decisions, we see no error in the Examiner’s determination that the subject matter of managing a lottery game is an abstract idea. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1334 (Fed. Cir. 2016) (stating that our reviewing courts “have found it sufficient to compare claims at issue to those claims already found to be directed to an abstract idea in previous cases”).

Second, in the Reply Brief, Appellant asserts that “the use of ‘rules’ does not preclude patentability under Section 101” and states that

the Federal Circuit recently held a rules-based invention to be patentable under Section 101, stating that that “a court must look to the claims as an ordered combination, without ignoring the requirements of the individual steps” and finding that “[t]he specific, claimed features of these rules allow for the improvement realized by the invention.”

Reply Br. 2 (quoting, with emphasis added, *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1313 (Fed. Cir. 2016)).⁴ Appellant contends that, “[r]egardless of whether they are characterized as ‘rules,’ the claims that are the subject of the present Appeal recite a specific ordered combination and therefore constitute patentable subject matter.” Reply Br. 3. Appellant then lists, for each independent claim, various recited limitations. *Id.* at 3–5.

We are not persuaded that the claimed invention is analogous to the invention claimed in *McRO*. There, the Federal Circuit stated that the representative claim was “focused on a *specific asserted improvement* in

⁴ We address this argument in the discussion of Step One because the *McRO* decision did not reach Step Two. *See McRO*, 837 F.3d at 1316 (“Because we find that claim 1 is not directed to ineligible subject matter, we do not reach *Alice* step two.”).

computer animation, i.e., the automatic use of rules of a particular type” and also stated that “[i]t is the incorporation of the claimed rules, not the use of the computer, that ‘improved [the] existing technological process’ by allowing the automation of further tasks.” *McRO*, 837 F.3d at 1314 (quoting *Alice*, 134 S. Ct. at 2358) (emphasis added). Thus, in *McRO*, it was not the mere presence of the “claimed rules” that led to patent eligibility; rather (as noted in the sentence quoted by Appellant), it was that “[t]he specific, claimed features of these rules allow for the improvement realized by the invention” that indicated that the claims were not directed to an abstract idea. *See McRO*, 837 F.3d at 1313; *see also id.* at 1316 (“The claim *uses the limited rules in a process specifically designed to achieve an improved technological result* in conventional industry practice. Claim 1 of the ’576 patent, *therefore*, is not directed to an abstract idea.” (internal citation omitted and emphasis added), 1314 (“We therefore look to whether the claims in these patents focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery.”)).

In contrast, here, Appellant identifies, for each independent claim, certain recited limitations (*see* Reply Br. 3–5), but has not identified any “improved technological result” generated by the identified limitations. *Cf. McRO*, 837 F.3d at 1316.⁵

For these reasons, we are not apprised of error in the Examiner’s determination that the claims here are directed to an abstract idea.

⁵ In the discussion of Appellant’s third argument under Step Two, below, we address an additional argument regarding purported “improvements” from the claimed inventions.

B. Step Two

Regarding Step Two of the *Alice* framework, the Examiner states:

The claim(s) does/do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the addition of limitations such as “a server device, a storage unit, a terminal device, a communication line” amount(s) to no more than: *(i) mere instructions to implement the idea on a computer, and/or (ii) recitation of generic computer structure that serves to perform generic computer functions that are well-understood, routine, and conventional activities previously known to the pertinent industry.*

Ans. 5–6; *see also* Final Act. 5 (first sentence). The Examiner states that “[m]erely using these generic computer components to perform the identified basic functions does not constitute meaningful limitations that would amount to significantly more than the abstract idea.” Ans. 6. In addition, the Examiner states: “Looking at the limitations as an ordered combination adds nothing that is not already present when looking at the elements taken individually. There is no indication that the combination of elements improve the functioning of a computer or improves any other technology.” *Id.*

First, Appellant argues all pending claims as a group, asserting that the independent claims “each recite elements that are significantly more than the judicial exception” because, “[f]or example, each of these claims requires the selection of ‘a lottery mode from among the plurality of lottery modes based on one or more mode selection probabilities’ and the transmission of ‘an image indicating the selected lottery mode’ to a terminal or terminal device.” Appeal Br. 15. Appellant states, “[i]n other words, each of the independent claims requires a computation (to select a lottery mode based on probability) and the transmission of an image indicating the

result of such computation.” *Id.* According to Appellant, “[s]uch subject matter has been held to fall within the bounds of § 101.” *Id.* (citing *SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319 (Fed. Cir. 2010), and United States Patent and Trademark Office, *Examples: Abstract Ideas* 10–11 (Jan. 27, 2015), http://www.uspto.gov/sites/default/files/documents/abstract_idea_examples.pdf.⁶

Neither the *SiRF Technology* decision nor the Examples supports Appellant’s position. In *SiRF Technology*, the claims at issue were not determined to be patent eligible based on reciting a computation and transmission of an image indicating a result of the computation; instead, the Federal Circuit held “that the claims at issue are properly directed to patentable subject matter as they explicitly require the use of a particular machine (a GPS receiver) and could not be performed without the use of such a receiver.” *SiRF Tech.*, 601 F.3d at 1333; *see id.* at 1332 (discussing the machine-or-transformation test from *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008), *aff’d Bilski v. Kappos*, 561 U.S. 593 (2010)).

As to Example 4 in the Examples (which is “modeled after the technology” in the *SiRF Technology* decision), the hypothetical claims were not identified as patent eligible based on reciting a computation and transmission of an image indicating a result of the computation; instead, the analysis provides that:

the combination of elements impose meaningful limits in that the mathematical operations are applied to *improve an existing technology* (global positioning) by *improving the signal-acquisition sensitivity of the receiver* to extend the usefulness of

⁶ We will refer to this document as the “Examples.”

the technology into weak-signal environments and providing the location information for display on the mobile device. All of these features, especially when viewed in combination, amount to significantly more than the judicial exception.

Examples 12–13 (emphasis added). Here, as noted in the discussion of the second argument under Step One and the third argument under Step Two, Appellant has not identified any improved technological result or improved computer functionality reflected in the pending claims. *See* Ans. 9 (discussing the claims in *SiRF Technology* and stating that “[h]ere, in contrast, the claims are directed a set of game rules for managing a lottery” and that “[t]he present claims fail to improve any technology or computer functions”).

Second, Appellant argues all pending claims as a group, asserting that “the independent claims all include limitations that allow the system described to overcome problems that are ‘necessarily rooted in computer technology.’” Appeal Br. 16 (quoting *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014)). Appellant contends that “[a]mong those limitations are limitations relating to the transmission of images (e.g., ‘transmitting an image indicating the selected lottery mode’ as in claim 10).” *Id.* Appellant argues that “[t]his clearly amounts to ‘significantly more’ than the judicial exception.” *Id.*

We are not apprised of error by the argument because Appellant has not explained how the limitation identified in claim 10 (or similar limitations in other independent claims) actually “overcome problems that are ‘necessarily rooted in computer technology.’” Appeal Br. 16. Instead, we agree with the Examiner that the “recitation of transmitting images . . . does not solve any problem rooted in computer technology, because these

limitations are generic computer components performing generic computer functions at a high level of generality.” Ans. 10.

Third, Appellant argues all pending claims as a group, asserting that “the claimed subject matter improves the operation of a game-providing server device by selecting a lottery mode from among a plurality of lottery modes in order to vary the ways of acquiring battle cards (see, e.g., paragraph [0004] of the [S]pecification as filed).” Appeal Br. 15–16. According to Appellant, “[t]hese improvements help to keep a user’s interest in a game and enhance his or her level of entertainment.” *Id.* at 16.

Although improving the functioning of a computer itself may amount to “significantly more” under Step Two of the *Alice* framework (*see Alice*, 134 S. Ct. at 2359–60), Appellant has not explained how the identified limitations “improve[] the operation of a game-providing server device” itself (Appeal Br. 15). Here, the purported improvements—“vary[ing] the ways of acquiring battle cards” to allegedly “help to keep a user’s interest in a game and enhance his or her level of entertainment” (*id.* at 15–16)—do not indicate improved operation of the server device itself, but rather, result from modifying the abstract idea. *See Spec.* ¶ 5 (“In view of the foregoing, an object of various embodiments of the present invention is *to provide a server device which enables an item to be provided by a lottery and allows the item odds to be changed in accordance with a prescribed condition . . .*” (emphasis added)).

For the reasons above, we sustain the rejection of independent claims 1, 6–11, and 13. Because Appellant does not separately argue dependent claims 2–5, 12, and 14–17, we also sustain the rejection of those claims.

DECISION

We *affirm* the decision to reject claims 1–17 under 35 U.S.C. § 101.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED